



Green Mountain Care Board FY 2013 Budget Presentation August 30, 2012



Changing Physician Landscape

- **SVMC current medical staff**
 - 150 MDs (100% board certified or board eligible)
 - Primary care physician shortage
 - Very few (~10) mid-levels (PAs, NPs)
- **No new independent physicians relocating to Southern Vermont**
- **Increased competition for physicians from eastern NY and western MA**



Dartmouth-Hitchcock Affiliation

■ **Goals**

- Improve access and care quality
- Improve physician practice management
- Enhance recruitment and retention of physicians
- Prepare for healthcare payment reform (ACO)

■ **Structure**

- D-H employs SVMC's physicians
- SVHC has professional service agreement with D-H (includes productivity, access and quality targets)

■ **Launched July 1, 2012**

■ **Phase I**

- Transfer of SVMC physicians to D-H
- Recruitment of key specialties needed by community
- Participation in development of OneCare, VT's ACO

■ **Phase II**

- To development of joint services

Southwestern Vermont Medical

Net Revenue reconciliation

<i>Increase to Net Revenues -- Budget FY 2012 vs. FY 2013</i>	<i>\$16,068,000</i>	<i>12.07%</i>
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Exemptions

Physician acquisitions and PSA's	7.62%	\$10,145,200
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Provider Tax	0.54%	724,000
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Out of State Revenues	0.26%	350,000
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<i>Subtotal</i>	<u>8.43%</u>	<u>11,219,200</u>	<u>8.43%</u>
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<i>Increase to Net Revenues after exemptions</i>	<u>\$4,848,800</u>	<u>3.64%</u>
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Physician Acquisitions or Transfers

Taconic Orthopedic	\$4,836,000	Transfer from community
Bennington Cardiology	3,114,200	Transfer from community
Family Practice - Arlington	407,000	Transfer from community
Primary Care - Northshire	486,000	Transfer from community
Urology	836,000	Transfer from community
Psychiatrist	208,000	Community need/Replace MD's at SVMC
Dermatologist	173,000	Transfer from community
Neurology	85,000	Transfer from community
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Total	<u><u>\$10,145,200</u></u>	



Physician Acquisitions or Transfers

■ **Taconic Orthopedic -- \$4,836,000**

- Only Orthopedic practice in Bennington;
- Practice consists of 6 providers;
- Represents nearly 13% of SVMC's net patient revenues;
- Practice was experiencing disruption due to loss of a provider and two physicians nearing retirement;

■ **Bennington Cardiology -- \$3,114,200**

- Only Cardiology practice in Bennington;
- Practice consists of 2 Cardiologists;
- Cardiology related services represents over 10% of SVMC's net patient revenues;
- Group was being recruited by large Albany/Capital region Cardiology group;



Physician Acquisitions or Transfers

■ Family Practice in Arlington -- \$407,000

- Evaluating an existing practice in this underserved area;
- Existing practice exploring several opportunities (i.e. Federally Qualified Health Center);
- Potential execution of transaction January 2013.

■ Primary care physician Northshire site -- \$486,000

- Additional need in the community due to a physician reducing his panel of patients.
- The expected date of the start of this physician in the Budget was October 2012.



Physician Acquisitions or Transfers

■ Urology -- \$836,000

- Existing high volume practice has approached SVMC;
- Physician indicated considering leaving the area;
- If physician left there would be a significant void in the Urology service line;
- Expected execution of transaction January 2013.

■ Psychiatrist -- \$208,000

- Contracted MD through Brattleboro Retreat;
- SVMC currently does not have an active Psychiatrist on staff;
- Expected execution of transaction January 2013.



Physician Acquisitions or Transfers

■ Dermatologist -- \$173,000

- Fall 2011 a long-time private Dermatologist retired;
- Only Dermatologist in Bennington;
- SVMC has been attempting to recruit prior to the actual retirement of physician;
- Expected start date of physician is July 2013.

■ Neurology -- \$85,000

- Only full-time Neurologist in Bennington has left the service area;
- SVMC has been recruiting a replacement;
- Expected start date of physician is July 2013.



Increase in Provider Tax

- **Estimated Provider tax increase -- \$724,000**
 - Based upon FY 2012 increase in revenues;
 - Increase in actual percentage;
 - Includes the VNA provider tax since SVMC's VNA is a department of the Hospital.



Out of State Revenues

- **Out of State Revenues -- \$350,000**
 - SVMC has been seeing slight increases in market share in MA;
 - Local MA hospital emerging out of bankruptcy;



Other Considerations

- **Medicare Dependent Hospital reimbursement to be eliminated October 1, 2012 -- \$1,985,000.**
- **VT DSH payments to SVMC to be reduced -- \$362,000;**



Questions?